



March 2025 Quarterly Activities

- Three additional pilot production wells (LF-04, LF-05 and LF-06) commissioned and placed on production during the quarter, doubling the number of wells and production capacity of the Pilot Well Project
- Month on month increases in gas rates during the quarter with record monthly and daily gas volumes achieved each consecutive month
- Indications observed that the coal seam is approaching the critical desorption pressure as the reservoir pressure continues to be reduced
- Pressure build up test completed during April 2025 with preliminary results confirming that reservoir pressure has significantly reduced
- During April 2025, additional funding was secured via a \$2.3 million Placement (before costs) to new and existing sophisticated investors

TMK Energy Limited (ASX:TMK) (“**TMK**” or the “**Company**”) is pleased to provide the following report for the quarter ending 31 March 2025 (“Quarter” or “Reporting Period”).

Activity during the Quarter was focussed on commissioning of the recently drilled pilot production wells and maintaining production operations at the Company’s 100% owned Gurvantes XXXV Coal Seam Gas (CSG) Project, together with planning and finalising funding for the proposed 2025 work program.

Mr Dougal Ferguson TMK Energy’s CEO commented:

“The quarter ended 31 March 2025 was another very impressive step forward for the Pilot Well Project with all three additional production wells being commissioned and placed on production in early January 2025.

Month on month gas production records together with other positive indicators being observed imply that the reservoir pressure is being reduced and that in line with our previously announced timing expectations, we are now very close to achieving the necessary pressure reduction required to reach the critical desorption pressure.

Preliminary results from our recently completed pressure build up test in LF-02 also suggest we are making significant progress, and the final results of that test are expected to be available next week.

With additional funding secured in April 2025, the Company is in an excellent position to be able to deliver on its objective of demonstrating that commercial gas flows can be achieved and commercialised from this Pilot Well Project.”



Executive Summary

During the Quarter, the Company successfully commissioned and placed on production an additional three production wells (LF-04, LF-05 and LF-06) which were drilled in late 2024.

The Company achieved month on month gas production records throughout the Quarter with positive indications being observed across both the new and existing wells, significantly increasing confidence that the Project is making progress toward the objective of proving commercial gas flows are achievable.

During April 2025, the Company raised approximately \$2.3 million (prior to costs) via a placement of shares at a price of \$0.003 per share, representing only a 7% discount to the prevailing 5-day volume weighted average price.

Proceeds from the Placement are intended to fund an additional pilot well, meeting the Company's 2025 pilot well license obligations, together with project development, commercialisation and partnership opportunities at the Company's flagship asset, the 100% owned Gurvantes XXXV Coal Seam Gas Project.

Operations

With the three new pilot wells (LF-04, LF-05 and LF-06) having been successfully drilled and completed during the December 2024 quarter, operations this Quarter were focussed on production operations from all six production wells within the pilot well complex.

Coupled with the original three pilot wells (LF-01, LF-02 and LF-03), total field gas production more than doubled in January with all six pilot production wells flaring gas. The month of January saw a 300% increase in total gas produced compared to the prior month with gas production being ~40% high than the previous monthly record.

Gas production in February was ~9,100m³ which represented an ~14% increase over January, with March gas production increasing a further ~10% to ~10,000m³ with a new daily high production rate of 463m³ (approximately 16.5 mscfd) being achieved during March.

These record rates have been achieved despite significant downtime on one of the best producers (being LF-05) during the Quarter

due to the need for a pump cleanout and workover.

Additionally, the Company concluded its analysis and interpretation of the data recovered from the Distributed Temperature Sensing (DTS) technology deployed which concluded that the water was primarily being produced from the coal seam rather than an unrelated aquifer, another important data point and validation that the Project is performing in line with expectations.

Production Build Up Test (Lucky Fox-02)

Operations during April 2025 have been centred around a pressure build up test on LF-02 aimed to collect important data to characterise reservoir pressure behaviour within the coal interval. This has now been successfully completed. It required the shutting-in of the well over an extended period which, while having a negative effect on monthly production rates in April, has provided valuable information with respect to the positive progress being made in reducing the reservoir pressure.

Preliminary indications are that significant progress has been made, and final analysis and a detailed summary is expected to be completed in the coming week.

National Recognition

The Company recently hosted two high-level governmental visits to its Gurvantes XXXV Coal Seam Gas Project, underscoring growing national recognition of the Project as a potential source of cleaner, reliable domestic energy. Mongolia currently relies heavily on coal-fired power and imported energy, but the development of domestic natural gas offering a lower carbon footprint could improve air quality in Ulaanbaatar and surrounding areas while enhancing the country's energy independence. The delegations toured TMK's operations and key nearby infrastructure, including the nearby Shivee Khuren Port at the Chinese border.

The visits were led by prominent government figures, including the Ministers of Industry, Urban Development, Finance, and Transport, as well as regional leaders and port representatives. The delegations were welcomed by senior representatives from TMK who conveyed the milestones achieved to



date, the strategic importance and the future plans for the Project. The delegation commended TMK's progress and pledged governmental support to further accelerate the Project's development, signalling strong alignment between TMK's vision and Mongolia's national energy strategy.

Corporate

Changes in Capital Structure

On 16 April 2025, the Company announced that it had received firm commitments to raise up to approximately \$2.25 million and later revised to \$2.3 million (before costs) by way of a strongly supported placement (Placement). The Placement was strongly supported by new and existing sophisticated and professional investors, including existing major shareholders of the Company.

Pursuant to the Placement, TMK issued 767,666,670 new fully paid ordinary shares in the capital of the Company at an issue price of \$0.003 per New Share, being a 7% discount to the five-day volume weighted average price (VWAP) of \$0.0032. Prenzler Group Pty Ltd (Prenzler) acted as lead manager and was paid a 1% management fee and a 5% selling fee on funds not directly introduced by Prenzler, plus will be issued 20 million unlisted options exercisable at \$0.005 per share expiring on 31 January 2028.

The shares issued under the Placement are not subject to shareholder approval and were issued on 24 April 2025 pursuant to the Company's available placement capacity under ASX Listing Rule 7.1.

In addition to the shares issued under the Placement, the Company issued 91,051,291 shares to consultants in lieu of fees for the six months ended 31 March 2025, which reduced the cash spend for the Company during those six months by \$187,200.

Results of General Meeting

The Company convened a General Meeting that was held on Wednesday, 19 February 2025, at which several resolutions were put to Shareholders, including resolutions to ratify or approve, the prior issue of securities, the issue of shares to the Board and management in lieu of deferred cash fees, and the approval of an Employee Share Incentive Plan valid for the next three years.

All resolutions were passed on a poll.

ASX Listing Rule 5.3.3 Tenement Summary

At 31 March 2025, the Company held the following interests in tenements and/or licenses:

Project	Percentage Interest	Number of Tenements
Gurvantes XXXV	100%	1

In addition, the Company holds a 20% interest in the Napoleon Deep Prospect via a 20% shareholding in Skye Napoleon Pty Ltd. There was no activity on this project during the Reporting Period.

Related Party Payments

During the quarter ending 31 March 2025, the Company made payments of \$18,600 to related parties and their associates. These payments relate to the Directors' fees.

Authorised for release to ASX by the Board of Directors.

For more information www.tmkenergy.com.au or contact,

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

TMK Energy Limited

ABN

66 127 735 442

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows	Current quarter (3 months) \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	(92)	(92)
(d) staff costs	(202)	(202)
(e) administration and corporate costs	(177)	(177)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11	11
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(460)	(460)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(670)	(670)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter (3 months) \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(670)	(670)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,992	1,992
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(460)	(460)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(670)	(670)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	862	862

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	862	1,992
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	862	1,992

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	19
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	460
8.2 Payments for exploration & evaluation classified as investing activities (item 2.1(d))	670
8.3 Total relevant outgoings (item 8.1 + item 8.2)	1,130
8.4 Cash and cash equivalents at quarter end (item 4.6)	862
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	862
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.76
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: The Company undertook a three well drilling program in late 2024 with carry over cash costs being incurred this quarter. The Company expects to incur similar levels of expenditure this quarter and has the necessary cash resources to fund that expenditure.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Yes, the Company has completed a \$2.3 million (before costs) capital raise in late April 2025.	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes, the Company expects to be able to continue to fund its operations through partnerships and/or additional capital as and when required.	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2025

Authorised by: Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.